



2005 ASSEMBLY BILL 827

November 14, 2005 - Introduced by Representatives SHILLING, KERKMAN, PETROWSKI, ALBERS, FIELDS, FREESE, KREUSER, LEHMAN, LOTHIAN, MONTGOMERY, MUSSER, NELSON, OWENS, SHERIDAN, SINICKI, VAN ROY, VOS and ZEPNICK, cosponsored by Senators WIRCH, BROWN, BRESKE, ERPENBACH, HANSEN, JAUCH, A. LASEE and MILLER. Referred to Committee on Insurance.

- 1 **AN ACT** *to renumber and amend* 632.37; and *to create* 632.37 (2), (3) and (4)
2 of the statutes; **relating to:** prohibiting an insurer from requiring a certain
3 vendor for repairing a motor vehicle.

Analysis by the Legislative Reference Bureau

Current law prohibits an insurer that issues a motor vehicle insurance policy that covers the repair or replacement of motor vehicle glass from conditioning the coverage on whether the insured or a third party making a claim under the policy obtains services or parts from a particular vendor specified by the insurer. This bill expands that prohibition.

Under the bill, an insurer that issues a motor vehicle insurance policy that covers the repair of a motor vehicle may not condition that coverage on whether the insured or a third party making a claim under the policy obtains services or parts from a particular garage, repair shop, or other vendor specified by the insurer. In addition, if an insured or third party makes a claim for the repair of a motor vehicle, the insurer must inform the insured or third party that they may select any garage, repair shop, or other vendor for the repair and that the insurer will cover the reasonable costs of the repair regardless of which garage, repair shop, or other vendor they select. The insurer also must inquire whether the insured or third party has selected a garage, repair shop, or other vendor for the repair and may make a

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referral to a garage, repair shop, or other vendor if the insured or third party requests a referral.

The people of the state of Wisconsin, represented in senate and assembly, do enact as follows:

1 **SECTION 1.** 632.37 of the statutes is renumbered 632.37 (1) and amended to
2 read:

3 632.37 (1) PROHIBITED ACTION. An insurer that issues a motor vehicle insurance
4 policy covering the repair of a motor vehicle, including the repair or replacement of
5 motor vehicle glass or other parts may not require, as a condition of that coverage,
6 that an insured, or a 3rd party, making a claim under the policy for the repair or
7 replacement of the motor vehicle glass obtain services or parts from a particular
8 garage, repair shop, or other vendor, or in a particular location, specified by the
9 insurer.

10 **SECTION 2.** 632.37 (2), (3) and (4) of the statutes are created to read:

11 632.37 (2) **REQUIRED INFORMATION.** If an insured or a 3rd party makes a claim
12 specified in sub. (1) that is covered under a policy specified in sub. (1), the insurer
13 shall do all of the following:

14 (a) Inform the insured or 3rd party that he or she may select any garage, repair
15 shop, or other vendor for the repair of the motor vehicle.

16 (b) Inform the insured or 3rd party that the insurer will pay the reasonable
17 costs of the repair regardless of which garage, repair shop, or other vendor the
18 insured or 3rd party selects to make the repair.

19 (c) Inquire whether the insured or 3rd party has selected a garage, repair shop,
20 or other vendor for the repair of the motor vehicle.

